

# CAR AND LOAN QUIZ

1. Most used cars sold by private parties have a one-year warranty.  
☐ True  
☐ False
2. A service contract is designed to avoid costly repairs as a motor vehicle gets older.  
☐ True  
☐ False
3. The truth-in-lending law requires that a borrower be informed of the total finance charge.  
☐ True  
☐ False
4. Bodily-injury liability covers the damage to another person's car for which you were at  
☐ True  
☐ False
5. Collision insurance covers damage caused to a motor vehicle by vandalism or floods.  
☐ True  
☐ False
6. The most reliable source for buying a used car is usually:  
☐ a rental car company.  
☐ a police auction.  
☐ a car dealer.  
☐ private party sales.
7. (Fill in the blank) warranty refers to the fact that a product will do what it is designed to do.  
☐ An extended  
☐ An implied  
☐ A dealer  
☐ An unexpired manufacturer's
8. The truth-in-lending law requires that borrowers be informed of the:  
☐ amount financed.  
☐ cost of auto insurance.  
☐ features of an extended warranty.  
☐ reasons a person has been denied credit.

9. The auto insurance coverage for damage to your vehicle as a result of an accident is called:

- ☐ property damage.
- ☐ comprehensive.
- ☐ liability.
- ☐ collision.

10. Doctor costs for injuries to others resulting from an accident are covered by (fill in the blank) liability.

- ☐ medical
- ☐ collision
- ☐ bodily injury
- ☐ comprehensive